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Mahathir-Economy

MALAYSIA'S ECONOMIC PERFORMANCE NOT ACCIDENTAL, SAYS PM

LANGKAWI, Aug 16 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today Malaysia's remarkable economic performance, charting an average growth rate of 8.7 per cent over the last five years, is not accidental.

He noted that it was attained after judicious implementation of carefully thought out pragmatic policies and programmes.

"Our policies have been so successful that today we are experiencing labour shortage. The need to update and provide adequate infrastructure has resulted in a balance of payment deficit, as massive projects and new industries require imports of sophisticated capital goods and construction materials," he said when opening the Second World Fujian Convention and Malaysia-Fujian Investment and Trade Exhibition here.

About 2,500 representatives from some 20 Hokkien associations worldwide, including from Indonesia, Singapore, the Philippines, Thailand, the United States, China and Malaysia, are attending the two-day convention organised by the Federation of Hokkien Associations in Malaysia at the Mahsuri International Exhibition Centre. The inaugural convention was held in Los Angeles in 1994.

Dr Mahathir said it had become necessary for Malaysia to discourage labour-intensive industries in favour of capital and technology-based industries.

He said this switch as well as the promotion of large-scale manufacturing would hopefully overcome the current problems of labour shortage and, eventually, deficits in the balance of payments.

Despite the problems, the Prime Minister pointed out that Malaysia is an attractive base for businessmen seeking to expand and to take advantage of the potential that the Asia-Pacific region offers.

In asking those wishing to expand their business interest in the Asia-Pacific region to examine the potentials that Malaysia offers, Dr Mahathir said: "The factors that contribute to Malaysia's investment environment include political stability, high economic growth, efficient administration, adaptable and productive work force and well developed infrastructure.

"Corruption here is minimal and has not got in the way of economic expansion."

On bilateral trade between Malaysia and China, the Prime Minister said it had shown fairly rapid growth in the last six years, with almost a three-fold increase in trade between both countries over the period 1990 and 1995.

He said bilateral trade between Malaysia and China was in Malaysia's favour over the past three years, with the trade surplus amounting to RM614 million in 1995.

He said investments from China in the Malaysian manufacturing sector have generally been on the upward trend though the number of projects was relatively small and insignificant.

For the period 1987 to April 1996, a total of 44 projects involving capital investment of RM615.5 million from China were approved, he added.

Dr Mahathir also pointed out that there was good scope for industrial cooperation between the Fujian province in China and Malaysia since the former, together with other coastal areas and provinces in China, have been the prime areas of destination for foreign investments. -- BERNAMA

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